

property. When a lender or seller (secured party) desires to perfect his interest in such a transaction, he can do so by having a Financing Statement recorded by the Clerk's office.

Under the Code, a Financing Statement is effective for only five years. However, a Continuation Statement may be filed which continues its effectiveness for an additional five years. Since this might cause difficulty in disposing of these records, we were particularly anxious that they be recorded and indexed throughout the State in such a way that they could be readily destroyed when no longer effective. Fortunately, the Committee was as concerned about this as were we, and procedures were adopted which will make this possible.

In other aspects of our work, emphasis was placed upon reducing the quantity of non-current records retained in the offices and store-rooms of State agencies, in order to lower maintenance costs and to improve control over the records. As a result, 3,822 cubic feet of records were transferred to the Records Centers in Baltimore and in Annapolis. This transfer not only released equipment for re-use but contributed to more efficient office operation.

With the increased volume of records housed in the Centers, additional time was required to service them. This service includes shelving the records, maintaining the necessary control forms, providing reference to the records, microfilming records to be preserved on film, and supervising their destruction. As our Records Center holdings increase, use of the records also increases. In the course of the year, 3,712 requests were received for records units or information from records in the two Centers.

Reduction in the bulk of records through the substitution of microfilm copies for the originals remains an important part of our program. This year, 1,816,158 exposures were made for ten State agencies. The records microfilmed and retired, as well as those destroyed without filming from the Records Centers or from State or local agencies amounted to 9,973 cubic feet. As in the past, we disposed of these unneeded records to various waste paper companies on a contractual basis. This year, the State received \$4,087.28 from this source, of which \$1,670.54 was returned to the general funds of the State. The remainder went to the Department of Employment Security, which operates entirely on federal funds.